



## SC Department of Employment and Workforce

For Immediate Release

June 18, 2013

### **Integrity Law to Help Boost Unemployment Insurance Program**

The state recently passed legislation that will improve the integrity of the state's unemployment insurance system.

The legislation (H.3751, Act 70), which imposes federally mandated integrity requirements, provides the following:

- A 25 percent penalty applied to a claimant's fraudulent overpayment
- If an employer establishes a pattern of non-response and overpayments result due to the non-responses, then the employer's account may be charged (The SC Department of Employment and Workforce will release further information and educational materials for all employers)
- A revision to the definition of "new hire"

"These measures will ultimately help restore the unemployment insurance trust fund and keep future unemployment taxes low for the state's businesses," said Gov. Nikki Haley.

### **The new law applies to overpayments determined by the Department after October 21, 2013.**

DEW is committed to a multi-pronged marketing campaign to explain the new requirements to all businesses in the state. Only businesses that demonstrate a pattern of responding in an inadequate or untimely manner will be at risk of increasing their unemployment tax rates. We are optimistic that this required change will reduce the number of overpayments associated with "separation issues," which accounted for 33 percent of all overpayments in calendar year 2012.

Businesses are encouraged to use [South Carolina Business One Stop \(SCBOS\)](#) as a means to respond to DEW's fact finding inquiries regarding claims. This electronic response system reduces the probability of missing claims due to mailing issues and also allows businesses to respond faster from any computer in the world. We have found that electronic responses are received by the agency significantly faster than traditional paper responses.

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